

Monthly Verification and Review: Asset Management

The purpose of this guide is to recommend to Asset Managers the critical review steps that agencies should establish as a monthly practice, with suggestions for using reports and researching issues.

Objectives

Monthly review for Asset Management should include the following tasks:

- Complete outstanding Acquisitions
- Complete outstanding Dispositions
- Monitor Depreciation
- Review monthly transactions; review performed by non-user
- Equate Capital Object expenditures to Capital Asset Acquisitions

In addition, an agency may choose to do some periodic activity related to the annual requirement for taking a physical inventory of assets.

Procedures

Complete Outstanding Acquisitions

Purchases of capital assets or stewardship resources should be entered into AFIS within ten (10) working days from the date of issuing the payment for the capital asset or stewardship resource or, in the case of internally generated intangible assets or the completion of a construction project, within ten (10) business days of its being placed into service. [SAAM 2535 Long-Lived Resources, Stewardship]

Acquisitions from non-ProcureAZ purchases or from donations must be added manually with an FA document. FAS documents are not generated from GAX payments. For procedures, please refer to the Further Reference section located at the end of this QRG.

AFIS creates Fixed Asset Shell (FAS) documents from ProcureAZ payments based on their Commodity Code and Unit Price per item. FAS documents that do not represent actual assets must be *unpending*. A nightly report is published showing the Pending Asset Shells for each Department.

- A. Each night, or at best each week, clear all pending FAS documents.
 1. View the latest *FIN-AZ-AM-N332 Pending Fixed Asset Shell Transactions by Department* report that is published daily in your Department's Published Reports folder in infoAdvantage. Alternately, agencies can use the document catalog and search by Document Code = FAS, Department, and Phase = draft.
 2. Confirm whether the purchase represents a long-lived asset to be recorded in AFIS.

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- For confirmed asset: Complete the FAS; submit and approve.
 - For items that are not assets: Unpend the FAS by selecting Event Type FA14; submit and approve.
3. A report with no Pending Fixed Asset Shell Transactions is the goal. Provide an explanation for any remaining Shells.
 4. Archive the N332 report from the Published Reports folder. (Your Department should have a folder structure for storing old reports as needed. Do not let them pile up in the main folder.)

Complete Outstanding Fixed Asset Dispositions

After approval or acknowledgement regarding the disposal of a capital asset, IT resource or stewardship resource has been received from SPMO and the disposal of the capital asset, IT resource or stewardship resource has been accomplished, the agency should record the capital asset, IT resource or stewardship resource as disposed of on any internal listing and on FAM within ten (10) days of the date of disposal. [SAAM 2561 Long-Lived Resources, Disposals of Fixed Assets]

- B. At the end of the month, verify that asset dispositions have been completed in AFIS.
 1. Open the most recent *FIN-AZ-AM-C050b Gain-Loss on Disposition of Assets by Fund and Asset Type* in your infoAdvantage Published Reports folder.
 2. Review to determine whether there are any other dispositions to be entered.
 3. Enter an FD document for any assets that were disposed during the month.

Monitor Depreciation

- C. Verify that Depreciation is posting as expected.
 1. Open the most recent *FIN-AZ-AM-N357 Fixed Asset Accumulated Depreciation by Fund* report that is saved in your infoAdvantage Published Reports folder.
 2. Review the report for assets that are still depreciating.
 - If the asset is fully depreciated (ITD Accumulated Depreciation = Acquisition Amount), there will be no Current Month Depreciation.
 - If the asset is not fully depreciated, verify that depreciation is occurring.
 3. Research any asset that is not depreciating as expected.
 - A pending or draft document for an asset may interfere with Mass Depreciation from recording for that same asset.
 - The “DEPH” (Depreciation History) table on Advantage is useful for researching prior depreciation amounts.

Review monthly transactions for Fixed Assets; review performed by non-user

Management must assure that all additions, modifications and deletions to long-lived assets are reviewed monthly by someone without access to the automated accounting or fixed asset system that is used to keep track of long-lived resources. [SAAM 0510 Internal Controls by Process]

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D. Verify transactions are valid.

1. Run infoAdvantage report *FIN-AZ-AM-C048 Transaction Register by Department* for the previous month and your Department.
2. Review the transactions by someone that does not have an Asset Management user or approver role in AFIS.

Equate Capital Object expenditures to Capital Asset Acquisitions

At the end of the fiscal year, all agencies must reconcile the total cost of capital asset acquisitions made during the year to the total expenditures recorded in AFIS as capital outlays. The required reconciliation must be submitted to the GAO as part of the agency's closing package. [SAAM 2535 Long-Lived Resources, Stewardship]

Note – These procedures are not intended:

- for Construction in Progress or Development in Progress assets
- to replace the annual closing package process, but to assist in the process

E. Compare Expenditures to Fixed Asset Management System.

1. Run the *FIN-AZ-AM-N542 Asset Expenditures* to review expenditures for 8100 and 8400 Object Classes. Review report to make sure all capital purchases are accurate and coded correctly.
2. Run the *FIN-AZ-AM-C049a/C049b Fixed Asset Acquisitions by Department and Asset Type/Funding Source* extract for the Fiscal Year, Department, and Accounting Period to list all acquisition transactions for the month.
3. Compare the reports. The sum of expenditures for 8100 and 8400 Object Classes should equal the sum of Acquisition activity for the month.
4. Research any differences:
 - Pending Shells.
 - Check for Freight or other amounts that were not on the payment line for the asset.
 - Assets acquired by capital lease do not result in matching expenditures. Capital lease payments are recorded over the lease period rather than as a lump sum at the time of acquisition.
 - Donated assets may show up as Acquisitions but without a matching expenditure.
 - Assets that you added during the current FY from a prior FY acquisition will still show up on the *C049a/C049b* report for the current FY.
5. Process additional Acquisitions if needed.
6. Reclassify expenditures if incorrectly coded to an 8100 or 8400 Object Class.

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Additional Periodic Activities

Agencies may also consider addressing other annual or periodic activities as part of their monthly verification and review.

Physical Inventory (Required Annually)

The existence, location and condition of long-lived resources must be periodically verified by physical inventory. This inventory should be conducted as frequently as practical and warranted by the facts (transportability, nature and value of the resources, etc.), but no less often than once each fiscal year. A record documenting the physical inventory must be prepared and retained for the period required by LAPR. [SAAM 0510 Internal Controls by Process]

- F. Verify the inventory of long-lived assets using *FIN-AZ-AM-C052 Physical Inventory Sheet*.
 1. Run the report *FIN-AZ-AM-C052 Physical Inventory Sheet* for your Department.
 2. Export as PDF and print the report; it has page breaks by Location.
 3. Distribute the report by Location to the Custodians.
 4. Record the inventory with comments on the report.
 5. Make modifications in AFIS to ensure that each asset is properly identified and located.

Further Reference

Quick Reference Guides and Training (GAO Website)

For general training on Asset Management, including Program Asset Generation, see the [Training Guide](#).

To enter a new asset or complete a shell, see the [Acquire a New Fixed Asset QRG](#).

InfoAdvantage Reports for Asset Management

The following reports are available statewide in infoAdvantage for Asset Management.

Report ID	Name	Run Frequency
FIN-AZ-AM-C048	Transaction Register by Department	On-Demand
FIN-AZ-AM-C049a	Fixed Asset Acquisitions by Department and Asset Type	Monthly
FIN-AZ-AM-C049b	Fixed Asset Purchases by Department and Funding Source	On-Demand
FIN-AZ-AM-C050a	Fixed Asset Dispositions by Department, Fund, and Asset Type	Monthly
FIN-AZ-AM-C050b	Gain-Loss on Disposition of Assets by Fund and Asset Type	On-Demand
FIN-AZ-AM-C052	Physical Inventory Sheet	On-Demand
FIN-AZ-AM-C053a	Fixed Asset Transfers by Fiscal Year	On-Demand
FIN-AZ-AM-C056	Assets with Multiple Components by Department	On-Demand
FIN-AZ-AM-C062	Age of Assets	On-Demand
FIN-AZ-AM-N067	Fixed Assets by CFDA number	On-Demand
FIN-AZ-AM-N332	Pending Fixed Asset Shell Transactions by Department	Daily
FIN-AZ-AM-N341	Disposed Assets by Acquisition Fund	On-Demand

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Report ID	Name	Run Frequency
FIN-AZ-AM-N357	Fixed Asset Accumulated Depreciation by Fund	Monthly
FIN-AZ-AM-N358	Fixed Asset by Location and Sub-Location	On-Demand
FIN-AZ-AM-N385	Fixed Assets by Type – Detail	On-Demand
FIN-FA-0003	Fixed Asset Transaction Detail	On-Demand
FIN-FA-0004	Fixed Asset Replacement Forecast	On-Demand
FIN-FA-0005	Statement of Fixed Assets by Department and Unit	On-Demand
FIN-AZ-AM-N542	Asset Expenditures	On-Demand